

***PLEASE NOTE: Since the Glendale City Council does not take formal action at the Workshops, Workshop minutes are not approved by the City Council.**

**MINUTES
CITY OF GLENDALE
CITY COUNCIL WORKSHOP
OCTOBER 16, 2007
1:30 P.M.**

PRESENT: Mayor Elaine M. Scruggs, Vice Mayor Manuel D. Martinez, and Councilmembers Joyce V. Clark, Steven E. Frate, David M. Goulet, Yvonne J. Knaack, and H. Phillip Lieberman

ALSO PRESENT: Ed Beasley, City Manager; Pam Kavanaugh, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk

1. BUDGET SCENARIO 2

CITY STAFF PRESENTING THIS ITEM: Mr. Art Lynch, Deputy City Manager, and Ms. Sherry M. Schurhammer, Budget and Management Director

Police Chief Steven Conrad spoke as well as Fire Chief Mark Burdick.
Human Resource Director Alma Carmicle spoke.
Parks and Recreation Director Becky Benná spoke.
Field Operations Director Stuart Kent spoke.
Homeland Security Director Rob Gunter spoke.

This is a request for the City Council to review and provide direction regarding budget scenario 2, including the following:

- the allocation of the additional public safety sales tax revenue expected in Fiscal Year (FY) 2007-08 as a result of the voter-approved rate increase that becomes effective November 1, 2007; and
- the allocation of the General Fund (GF) capacity that becomes available as a result of moving scenario 1 public safety supplementals from the GF to the public safety (PS) sales tax funds.

This item incorporates the Council's strategic goals and key objectives, while ensuring the city's financial stability by presenting realistic analyses about the provision of city services and future revenue expectations.

A series of Council budget workshops were conducted in March and April of 2007 regarding the proposed FY2007-08 budget.

While public safety has been a high priority for the Council for several years, staffing and equipment assessments presented by the Police and Fire chiefs in January of 2007 demonstrated a critical need for more resources. Therefore, during the FY2007-08 budget development process, the Council decided to refer to voters a proposed increase to the sales tax dedicated for public safety.

The Special Election occurred on September 11, 2007. Voters approved an increase from one-tenth of one cent (0.1) to one-half of one cent (0.5) for the city's public safety sales tax. The additional four-tenths (0.4) excludes food for home consumption. The increased revenue is dedicated to Police and Fire to enhance public safety funding.

The Council adopted an FY2007-08 operating budget based on budget scenario 1, as presented during the spring 2007 budget workshops. The Council agreed it would convene a workshop in the fall of 2007 if voters approved the proposed public safety sales tax adjustment.

As presented during the spring 2007 budget workshops, scenario 2 assumed all Police and Fire supplemental requests funded with the GF in scenario 1 would be moved to the public safety sales tax funds. A summary of those scenario 1 GF Police and Fire supplemental requests is attached to the council communication as Attachment 1. They totaled the following in GF monies:

Scenario 1 General Fund Supplementals for Police & Fire

	FTEs	Ongoing	One-Time
Police	5	\$1,475,726	\$2,261,683
Fire	3	\$ 568,860	\$1,222,916
Total	8	\$2,044,586	\$3,484,599

Also under scenario 2, the Police and Fire Departments would be able to fund supplementals that could not be funded with the GF under scenario 1. As presented during the spring 2007 budget workshops, those additional Police and Fire supplemental requests could be funded with PS sales tax funds if the proposed rate increase was approved. A summary of those scenario 2 Police and Fire supplemental requests is attached to the council communication as Attachment 2. Those supplemental requests total the following:

Scenario 2 Public Safety Sales Tax Fund Supplementals

	FTEs	Ongoing	One-Time
Police	30	\$4,254,949	\$2,504,789
Timing Credit	---	---	(\$1,418,316)

Police Total	30	\$4,254,949	\$1,086,473
Fire	15	\$1,533,360	\$1,714,358
Timing Credit	---	---	(\$511,120)
Fire Total	15	\$1,533,360	\$1,203,238
Grand Total	45	\$5,788,309	\$2,289,711

Allocation of General Fund Capacity

During the spring 2007 budget workshops, the Council discussed allocation possibilities for the GF capacity that becomes available under scenario 2. Those discussions included the following options:

- Fund a mid-year total compensation adjustment for public safety to improve Glendale's competitiveness in filling sworn positions, and
- Fund scenario 2 supplementals for GF departments as presented in the council budget workbook provided for the spring budget workshops.

A copy of the April 17, 2007 Council workshop meeting minutes is attached to the council communication as Attachment 3. This meeting was the last budget workshop and includes the wrap-up discussion the Council had about these options.

A copy of the scenario 2 supplementals for the GF departments that were included in the council budget workbook provided for the spring budget workshops is also attached to the council communication as Attachment 4.

Public Safety Mid-Year Total Compensation Adjustment

A mid-year total compensation adjustment for public safety could be funded with the \$2M in ongoing GF capacity that becomes available if all Police and Fire supplemental requests funded with the GF in scenario 1 were moved to the public safety sales tax funds.

The recommended mid-year total compensation adjustment for Police is as follows:

- 2.5% increase for all Police step plan employees.
- Upon graduation from the academy, Police officers will start at \$49,992, which places the officer starting salary at fourth in the market.
- Officers currently earning less than \$49,992 will be moved to \$49,992.

- Three steps will be added to the top of the range for officers and sergeants making them second and first respectively in the market at the top of the salary ranges.
- The Police overtime budget will be increased to address the increasing base wages.
- Budget Impact for FY2007-08¹
 - General fund: \$1.5M
 - Police sales tax fund: \$178,000

The recommended mid-year total compensation adjustment for Fire step employees is as follows:

- Convert stability pay into new retention pay program
- Increase employer contributions to deferred compensation
- Budget impact for FY2007-08²
 - General fund: \$293,000
 - Fire sales tax fund: \$13,000

The total ongoing impact to the GF in FY2007-08 is \$1.8M for the recommended mid-year public safety total compensation adjustments.

The remaining GF ongoing capacity (\$2M less \$1.8M) is approximately \$232,000. Based on the Council's priorities, organizational needs, and the available funds remaining, it is recommended that the available ongoing funding be provided for a few items in the scenario 2 GF supplementals for the other departments shown in Attachment 4 which is attached to the council communication.

- Parks & Recreation – Water for landscape maintenance: \$69,000 ongoing
- Field Operations – 1 FTE for the graffiti removal program: \$68,500
- Emergency Management – Equipment maintenance contracts: \$94,500

\$83,000 in one-time funding should be allocated for the Human Resources Department to hire 2 contractual positions dedicated to filling the additional 45 positions for Police and Fire.

¹ The budget impact figures include the additional cost to the city for taxes and benefits currently received by step employees.

² The budget impact figures include the additional cost to the city for taxes and benefits currently received by step employees.

\$290,000 in one-time funding should be allocated for the Parks Department to address the operating costs of new facilities that recently opened. These operating costs include contractual landscape maintenance, electricity, and equipment.

\$89,000 in one-time funding should be allocated for the Field Operations Department to address the need for additional paint and supplies for the graffiti removal program.

The remaining one-time GF capacity of approximately \$3.0M (\$3.5M less \$462,000) be returned to the GF fund balance.

Several items in the scenario 2 GF supplementals for other departments were funded under scenario 1, with either GF ongoing or one-time monies. Under scenario 1, the funded GF ongoing supplementals for other departments were the following:

- Two code compliance inspectors (Code Compliance, p. 386 in Attachment 4 to the council communication);
- Neighborhood focus program (Code Compliance, p. 384 in Attachment 4 to the council communication);
- Fiesta Glendale event (Marketing and Communications, p. 411 in Attachment 4 to the council communication); and
- One special events coordinator (Marketing and Communications, p. 409 in Attachment 4 to the council communication).

Under scenario 1, the funded GF one-time supplementals for other departments were the following:

- One contractual city prosecutor for code cases (City Attorney's Office, p. 372 in Attachment 4 to the council communication);
- One contractual Pro Tem Judge and one contractual public defender for a half-time court for one full year (City Court, p. 378 in Attachment 4 to the council communication);
- One contractual domestic violence compliance specialist (City Court, p. 380 in Attachment 4 to the council communication); and
- Two contractual operations and training officers (Homeland Security, p. 413 in Attachment 4 to the council communication).

On September 25, 2007, the Council adopted the canvass of votes for the September 11, 2007, Special Election.

Also on September 25, 2007, the Council adopted an ordinance amending the city code to implement the results of the September 11, 2007, Special Election. The effective date is November 1, 2007 for the one-half cent (.50) rate for the public safety sales tax.

The FY2007-08 final operating, capital, debt service, and contingency appropriation budget was presented to the Council on June 26, 2007. The Council also conducted a public hearing on this item.

The FY2007-08 preliminary operating, capital, debt service, and contingency appropriation budget was presented to the Council on June 12, 2007. The Council also conducted a public hearing on this item.

Summary information regarding the preliminary budget presented to the Council on June 12, 2007 was published in the Glendale Star on June 14 and June 21, 2007. The preliminary budget also was available online at the city's website.

Prior to June of 2007, a series of four budget workshops were conducted in March and April of 2007 to review the city manager's recommended budget for FY 2007-08.

Glendale's budget is an important financial, planning and public communication tool. It gives residents and businesses a clear and concrete view of the city's direction for public services, operations and capital facilities and equipment. It also provides the community with a better understanding of the city's ongoing needs for stable revenue sources to fund public services, ongoing operations and capital facilities and equipment.

The Council conducted public hearings prior to its adoption of the preliminary and final FY2007-08 operating, capital, debt service, and contingency appropriation budget on June 12 and June 26, 2007, respectively.

All budget workshops were open to the public and posted publicly per state requirements. In addition, the budget workbook containing the city manager's recommended budget for FY2007-08 was posted on the city's webpage for citizens to view for each of the budget workshops.

The budget impact of adding the Police and Fire scenario 2 supplementals to the respective public safety sales tax funds in FY2007-08 is \$5.8M ongoing and \$2.3M one-time. A total of 45 additional FTEs would be authorized in the public safety sales tax funds, with 30 FTEs for Police and 15 FTEs for Fire.

By moving all Police and Fire supplemental requests funded with the GF in scenario 1 to the public safety sales tax funds, the following GF capacity becomes available: \$2M on the ongoing side and \$3.5M on the one-time side.

The budget impact of implementing the recommended mid-year total compensation adjustments for Police and Fire total \$1.8M for the GF, \$178,000 for the police public

safety sales tax fund, and \$13,000 for the fire public safety sales tax fund. The \$2M in ongoing GF capacity would be used to fund the \$1.8M GF impact for this adjustment.

After addressing the mid-year public safety total compensation adjustments, there is approximately \$232,000 remaining in ongoing GF capacity that could be allocated to priority scenario 2 GF supplementals for the other departments as identified earlier in this council communication.

\$83,000 in one-time funding should be allocated for the Human Resources Department to hire 2 contractual positions dedicated to filling the additional 45 positions for Police and Fire.

\$290,000 in one-time funding should be allocated for the Parks Department to address the operating costs of new facilities that recently opened. These operating costs include contractual landscape maintenance, electricity, and equipment.

\$89,000 in one-time funding should be allocated for the Field Operations Department to address the need for additional paint and supplies for the graffiti removal program.

The remaining one-time GF capacity of approximately \$3.0M (\$3.5M less \$462,000) be returned to the GF fund balance.

Staff is seeking guidance from the Council on the following:

- the allocation of the additional public safety sales tax revenue expected in FY2007-08 as a result of the voter-approved rate increase that becomes effective November 1, 2007; and
- the allocation of the General Fund (GF) capacity that becomes available as a result of moving scenario 1 public safety supplementals from the GF to the public safety (PS) sales tax funds.

Mr. Ed Beasley, City Manager, presented some background information on this item. He stated Council had directed staff to come back with scenario 2, subject to the outcome of the September 11th election public safety tax being proposed. He said Council provided this direction at last spring's budget workshops. On September 11, 2007 voters approved the proposed rate adjustment to Glendale's public safety sales tax.

He explained that Council has repeatedly stated its highest priority is the provision of public safety services to the community. This priority is specifically stated in Council's strategic goals for the city. He said last spring's budget workshop discussions centered on the recruitment and retention challenges that city departments face regarding public safety related positions. He said today's presentation includes a recommendation to adjust compensation in the middle of the current fiscal year for public safety employees with general fund monies. These GF monies become available as a result of capacity becoming available in the GF under the scenario 2 budget. The recommended action would make the city fourth in starting salary for officers and first and second at the top of the pay ranges for sergeants and officers.

He said the second part of today's discussion centered on this second scenario providing additional funding for additional Council goals.

Ms. Pam Kavanaugh, Assistant City Manager, presented a brief summary and reiterated Mr. Beasley's opening comments.

Chief Conrad stated that their staffing studies had shown the need to hire an additional 99 officers and 74 non-sworn personnel to meet the needs of the city. He explained the proposed three to four year hiring plan. He said the hiring of additional personnel would allow for significant improvements in the police department. He added that because of the new tax revenue, they would have the ability to implement the first year based on the staffing study.

He added there were two supplementals the department would like to withdraw. One deals with community outreach efforts in schools. He explained that it was too late in the year to start one of the programs although the department would be bringing back this item for consideration in the next budget cycle. As for the second program, the department received a grant and therefore does not need city funding. The second supplemental deals with unrestricted standby. He said this request is an item that should be dealt with through a different process and therefore should be taken out of consideration. He said all other supplements directly support the mission of the police department.

Vice Mayor Martinez asked Chief Conrad if the department would have 30 new officers this fiscal year. Chief Conrad said yes. He said the department had been very aggressive in its recruiting efforts; in the last two months the department hired 17 new officers. Vice Mayor Martinez asked if the department would be able to meet its goals with the additional positions to be added under this new budget scenario. Chief Conrad responded yes.

Vice Mayor Martinez asked Chief Conrad to expand on the neighborhood patrol issue. He said there has been a lot of public interest in more neighborhood patrols. Chief Conrad said the neighborhoods would see more patrols in the area addressing problems.

Vice Mayor Martinez inquired if additional administrative staff had been converted to field operations. Chief Conrad said the department had been in need of case managers so detectives, who are currently doing that kind of work, could focus more on solving crimes under investigation. He said the department would be able to hire two civilian case managers to handle that work under this new budget scenario.

Councilmember Goulet asked whether more people were inquiring about positions now that the public safety sales tax adjustment passed. Chief Conrad said it is too early to determine that aspect. Nevertheless, the department was continuing to pursue an aggressive recruiting and hiring process. He said the department has an opportunity to attract a larger, more qualified pool of candidates if the proposed wage adjustments are approved,

Councilmember Lieberman asked if the department provided moving expenses for someone hired from out-of-town. Chief Conrad said the department offers \$3,000 dollars for lateral transfers and these funds could be used for relocation expenses.

Councilmember Knaack asked if the department was hiring more locally or from out-of-state. Chief Conrad stated that at this time he was not certain, however believes it to be more locally.

Councilmember Frate inquired whether the increase in pay for ranking officers would help in retention. Chief Conrad said he hopes this change would address both retention and recruitment.

Councilmember Clark commented on the excellent study done by both fire and police and asked how often a staffing study would be done. Chief Conrad said the department would be doing the study annually because of its importance in assessing the department's priorities and challenges. Councilmember Clark said the 2007 staffing study indicated a need for 99 officers. She said she is interested in finding out whether that figures changes in the updated study. She said the updated study also should take into account the fact that the staffing increase would be implemented over a three to four year period.

Mayor Scruggs inquired about the amount of additional revenue to be generated from the change in the sales tax rate. She said there had been a lot of figures discussed.

Ms. Sherry M. Schurhammer, Budget and Management Director, said the estimated amount of revenue from the additional four tenths, for a full fiscal year, would be \$20.2 million. Mayor Scruggs commented that only a portion of that amount would be available this FY because the tax would not go into effect until November 1st.

Mayor Scruggs inquired why they were not spending the full amount since there should be \$12 to \$13 million dollars available, however the recommendations were for only \$8.1 million. She further stated that with the need being so critical for recruiting, why was it not all being utilized. She noted that they could be using an additional \$5 million dollars that was available from the new tax.

Ms. Schurhammer said the city expects to bring in \$9 million for police and \$4.5 million for fire, for a total of \$13.5 million, given the November 1st start date of the increased sales tax rate. These amounts will be allocated to address the scenario two police and fire supplementals. She also discussed how the police and fire on-going and one-time supplementals approved at the start of the fiscal year would be reallocated to the public safety sales tax funds.

Mayor Scruggs asked if the city is in compliance with the ballot language because the ballot language stated that the new tax could not be used to supplant allocations for on-going expenses budgeted at the time of the effective date of the ordinance.

Mr. Craig Tindall, City Attorney, explained that it would depend on the specifics of what was being funded out of which money. He suggested going back and reviewing each supplemental allocation to determine where the funding was coming from. Mayor Scruggs reiterated her question and said she was trying to find out why they did not have the additional money available.

Ms. Schurhammer said this plan was discussed at last spring's budget workshops. She said that the plan was to move the public safety general fund supplementals under scenario 1 over to the public safety sales tax fund, both on-going and one-time. Mayor

Scruggs said this explanation seems contrary to the information provided in the publicity pamphlets. Mayor Scruggs reiterated her statement about her concerns with the ballot language and stated that it had been her understanding that they would take the one-time supplementals that had not been made part of the base budget and move those over into the public safety sales tax fund as on-going and give them permanence.

Ms. Schurhammer reiterated that the plan had always been to move both on-going and one-time funds. Mayor Scruggs asked Mr. Tindall if in light of this new development, were they in compliance with the ballot language. Mr. Tindall stated that the ballot language states that all new money coming in under the increased sales tax could only be used for items that were budgeted after November 1st 2007.

Mayor Scruggs said she did not recall agreeing to move both on-going and one-time into the general fund. She said she specifically remembers discussing not taking budgeted items and moving them over. She explained that they could have discussed possibly moving one-time items, but not on-going.

Mr. Tindall said the ordinance stated that if it was budgeted prior to the effective date of November 1st, then it would be paid for by the existing tax or general fund. The new money would pay for items budgeted after November 1st.

Mr. Art Lynch, Deputy City Manager, agreed with Mayor Scruggs as to having no supplanting. He noted two budget scenarios presented originally. Scenario 2 was to come back for discussion if the election results warranted such a discussion. Therefore, we are coming forward with the new budget under scenario 2. He added that he believes this does not cause any supplanting because they would be appropriating the new money to public safety. Additionally, the amount in question was expenditures under scenario 1 and would be new expenditures in accordance with the new scenario 2 plan, to get to the full number of the public safety expenditures. The amount that was proposed was under a program in scenario 1 that equals the amount needed to still be spent only now it was a new program under scenario 2.

Mayor Scruggs said the budget was adopted on July 1, 2007, and it had certain items included. She asked if any of those items in that budget were being moved and placed into the new fund which was for items that had been approved after November 1st. Mr. Tindall stated that when the budget was adopted, it was with the understanding that if the sales tax passed, they would come back and adopt or consider scenario 2.

Councilmember Lieberman stated that his understanding of the ordinance was that any of the basic services that were present would not be funded by the new sales tax revenue. He said he did not recall reviewing supplemental requests in the ordinance. He said Mayor Scruggs had brought up a good point in her questions as far as the supplanting issue. He said if they were not paying any basic services out of the public safety sales tax, but only transferring supplementals, he did not see where it specified that it could not be done.

Mr. Tindall stated that if the question was "could officers be paid from the new money if hired before the tax was approved under scenario 1," the answer would be no. However, if the officers were hired before the tax was approved under scenario 2, they could be paid because it would be budgeted after November 1, 2007.

Councilmember Clark commented that her recollection was that scenario 1 was a provisional budget because the results of the election were unknown. She said what she understood was that we would meet again to develop and finalize the budget for

the year. She said she did recall discussing the supplementals which included vehicles and additional equipment. She added that she further recalled that Mayor Scruggs had been opposed to funding the supplementals and wanted the money primarily to go for officers. She noted that others had disagreed and believed the designated sales taxes could be spent on both areas. She said her concerns are about the revenue projection for the designated sales taxes given the changing economy. She suggested possibly lowering the anticipated sales tax revenue projections.

Mayor Scruggs asked to clarify a few issues. She stated that she did not have concerns or questions regarding supplementals but rather had a question for the City Attorney regarding the language stated on the ballot and whether the city will be in compliance with it. She added that thus far she had not received an answer and added that the answer received from budget staff seemed hostile and unreceptive. She asked Mr. Tindall to explain once again. Mr. Tindall reiterated that expenses before the tax were approved under scenario 1 could not be paid out, however if there were expenses discussed under scenario 2, they could be paid from the new money. He added that he would have to look at each item and determine its eligibility. He noted that there was not an easy answer at this time.

Mayor Scruggs asked if this situation is expected to happen again in the future, specifically, taking funds that were in an adopted budget in the general fund and moving them over to public safety. Mr. Tindall stated that they could not, as previously expressed. He further stated that he wanted to clarify his answer. He stated that he specifically had not gone over and looked at each item separately; however he assumes and was confident that the budget staff had considered each item in accordance with the ordinance.

Mayor Scruggs inquired as to the 99 police officer goal and how it compares to today's needs. Chief Conrad stated that the hiring request and budget supplementals submitted were consistent with the budget that was submitted, which was representative of what they would be able to hire. He discussed the hiring process and challenges. He asked to discuss the questions surrounding the supplementals.

Mayor Scruggs stated that she had no concerns or questions regarding supplements and understood the process. She had only questioned the legality of the movement of planned expenditures between funds.

Councilmember Lieberman read the minutes from the April 7th meeting which concurred that that Council should meet after the public safety tax was approved and finalize the budget plan.

Mayor Scruggs stated that she wanted to make it exceedingly clear that she had not questioned the supplementals, but rather the amount of funding available for police and fire departments.

Mr. Beasley stated that Mr. Lynch had meet with the City Attorney's office and he could further clarify what the intent had been from the start. He explained that they would never do anything that was opposite of what was required by the ordinance.

Mr. Lynch stated that the confusion came from having the two budgets brought forward. Both budgets were focused on implementing the full studies. He reiterated that at his meeting with the City Attorney, it was discussed that no supplanting would occur. He stated that the expenditures related to implementing the study were always anticipated to be funded from the new tax, if it passed. He reiterated that they were not

supplanting but rather applying the funding source to implement the new needs that had been created and identified as a part of the study. He added that a full year's budget had to be adopted under state law whether it was scenario one or two.

Mayor Scruggs affirmed for the public record, that her concern regarding this issue was to make certain that the city was holding to the ballot language and if police and fire were receiving all the funds available. She explained that her concerns stemmed from the numbers not working out right and believed that there should be more money available to police and fire. In addition, she stated that the public needed to be assured that these assertions were not true. She added that as a public official and as Mayor of the City of Glendale, she had a right to ask these questions and not have to deal with a hostile atmosphere.

Mr. Lynch commented that he did not want anyone to think that they were trying to be disrespectful. He explained that the language was very confusing and should be addressed. He further added that they always want to be sure everything was legal and in accordance with budget, accounting and all those principals.

Vice Mayor Martinez asked for clarification on the estimated money coming in from the sales tax. Ms. Schurhammer stated that it was approximately \$13.5 million.

Vice Mayor Martinez stated that in light of Councilmember Clark's comment regarding the sluggish economy, how do the numbers compare. Ms. Schurhammer said the projection discussed at last spring's budget workshop assumed 8% growth per year over the prior fiscal year. She said that last year's actuals were in line with their projection. She added that they would be polling the numbers for the first quarter in November and at that point, would estimate the outcome for the rest of the year.

Vice Mayor Martinez asked about the \$9 million expected to be available for police as a result of the tax rate adjustment and how much of that amount would be allocated for police. Mr. Schurhammer said that all \$9 million would be allocated for police and would cover new, additional positions.

Councilmember Clark commented on the sales tax projection. She said she still had concerns with a decline in projections. She asked how the projections of 20.25 for a full year and 13.5 for a partial year, came about. Ms. Schurhammer stated that their projections for the current fiscal year were based on forecasts that experts on the Arizona economy had put together as well as other prominent economists in Arizona.

Councilmember Clark commented that each projection was from previous years. Ms. Schurhammer stated that their projections typically looked at results from prior years as well as recent collections. Councilmember Clark reiterated her concerns.

Councilmember Clark asked Mr. Lynch what would happen if they did not reach their projections and the money had already been allocated. Mr. Lynch stated that they would be monitoring the revenue stream as it came in and would update Council on any kind of decline. He noted that the economic studies done had taken into account the decline in the housing market.

Mayor Scruggs said they were fortunate that the construction sales tax was not an appreciable part of the budget. She added that other cities were not so fortunate.

Chief Conrad thanked the Council for the opportunity to speak about the department's budget needs. He assured everyone that the budget supplementals brought forth were

truly representative of the needs of the department. He thanked them once again for their support. Mayor Scruggs said that they appreciated his leadership.

Chief Burdick said he was also very thankful for the continued support from the Council. He said he could make the comment, "ditto," to the Police Chief's comment, as the requests were very similar. He said the supplemental requests brought forward support the three key elements I identified in the Fire Department's needs assessment: reducing response times, additional staffing, additional equipment and apparatus, and training that supports those key areas. He reiterated the findings that had been identified, explaining that like PD, the requests will add 15 new positions, allow the purchase of necessary apparatus and provide additional training that is intended to improve service delivery to the citizens.

Ms. Schurhammer provided a brief overview of the Council discussion on allocation possibilities for the GF capacity that becomes available under scenario 2.

Ms. Alma Carmicle, Human Resource Director, presented an overview of the proposed mid-year total compensation adjustments for public safety to improve Glendale's competitiveness in filling sworn positions.

Ms. Carmicle said the recommendation calls for a 2.5 % increase for the step plan employees. The recommendation also calls for adjusting the starting pay for new officers from \$42,000 to \$49,992. She added that the Human Resources Department completed studies of 12 of the bench mark cities and this new starting pay would place Glendale at fourth among those cities. She said the adjustments involved added steps to the step plan to meet and keep the senior officers.

Ms. Carmicle addressed the Fire Department needs. She said the Fire Department had different concerns and needs than the Police Department. The Fire Department's needs centered on providing for the long term financial health and welfare of its membership. She said the recommendations for the Fire Department involves converting the current stability pay program to a retention plan program and to increase deferred compensation from 1% to 2%.

Ms. Schurhammer continued the presentation by discussing allocation of the remaining \$232,000 in on-going GF capacity and \$462,000 in one-time general fund capacity. Based on Council's priorities and critical organizational needs related to current operations, these available funds should be allocated to address the issues shown on the slide. She introduced the department Directors for those areas.

Ms. Becky Benná, Parks and Recreation Director, said her department's request would fund the operations and maintenance of five new park areas recently completed this year. This would include park and security lighting, landscaping, turf care, irrigation and cleaning.

Mayor Scruggs asked why these items were not already in the budget. Ms. Benná stated that these items had been submitted as part of the capital improvement program.

Mayor Scruggs asked Mr. Beasley if he remembered Council's request for information about a new component to the quarterly report. Mr. Beasley stated that it would be

ready for the first quarter. Mayor Scruggs commented that it was important to have that report so as not to be put in the position of opening five new parks with possibly no maintenance. Mr. Beasley explained that even if the money had not been there for the maintenance, the parks would somehow be maintained.

Mr. Stuart Kent, Field Operations Director, said his department's request would fund an additional staff person to enhance the graffiti removal program with seven day a-week coverage as well as cover necessary supplies and equipment.

Vice Mayor Martinez commented that he heard comments about how pleased residents were with the graffiti removal service.

Mayor Scruggs agreed with Vice Mayor Martinez and stated that she too, had received positive comments.

Mr. Rob Gunter, Homeland Security Director, said his request supported Council's goals for community focus on public safety for citizens and visitors and was critical to the EOC's public safety mission. These funds would provide funding for extending the initial warranties and service support agreements for critical equipment in the city's EOC. He said this funding also would address preventive maintenance for the equipment as well as technical support services.

Ms. Alma Carmicle, Human Resource Director, said her department's supplemental request would be for one-time funds to support the additional work related to recruiting and hiring new public safety personnel.

Mr. Lynch and Ms. Schurhammer closed out their slide presentation and asked for any questions or comments.

Councilmember Lieberman commented on having to wait the 45 days until the funds become available and asked if the departments should receive supplemental funding. Mr. Lynch stated that he would not recommend this, however they would focus on being conservative and watch the revenue streams come in.

Vice Mayor Martinez inquired as to what the general fund balance currently was. Mr. Lynch stated that the general fund balance currently was at \$39 million.

Mayor Scruggs commented that the goal was to have \$62 million in the entire general fund. Mr. Lynch agreed.

Vice Mayor Martinez stated that he wanted the public to recognize that the city does have a healthy fund balance to be used in case of an emergency.

ADJOURNMENT

The meeting was adjourned at 3:20 p.m.